

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF UNITED WATER IDAHO INC. FOR)	CASE NO. UWI-W-04-4
AUTHORITY TO INCREASE ITS RATES)	
AND CHARGES FOR WATER SERVICE IN)	NOTICE OF APPLICATION
THE STATE OF IDAHO)	
)	NOTICE OF INTERVENTION
)	DEADLINE
)	
)	ORDER NO. 29654
)	

On November 30, 2004, United Water Idaho Inc. filed an Application with the Commission for authority to increase its rates and charges for water service in the State of Idaho. The Application requests a 21.46% average increase in overall rates. If approved, Company revenues would increase by nearly \$6.8 million. United Water provides service to approximately 75,400 customers within Ada and Canyon Counties, Idaho. In this Order, the Commission suspends the effective date of the proposed rate increase and establishes the deadline to petition for intervention.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that on November 30, 2004, United Water Idaho Inc. filed an Application for authority to increase its rates and charges for water service in the State of Idaho by \$6,767,867. The Company has requested that its proposed rates become effective on or after December 30, 2004. The Company requests a Commission finding that its existing rates are unjust, unreasonable, and insufficient to provide it with a fair rate of return, and that the revised rates and charges proposed are just and reasonable.

YOU ARE FURTHER NOTIFIED that according to the Application the expected rate of return with the Company's proposal would be 8.93%. The revenue realized under its presently authorized rates produces a rate of return of 6.06%, based on a test year ending July 31, 2004. In United Water's last rate case, the Commission authorized an 8.843% rate of return on rate base of \$98,862,937. Order No. 28505. The Company states that, since the last rate case, its

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rate base has increased by \$41,199,609 to a total of \$140,062,546, operating costs have increased by \$4,707,395, and the number of customers has increased by approximately 10,000.

YOU ARE FURTHER NOTIFIED that the Company attributes its increase in rate base to major capital investments in: the Colombia Water Treatment Plant; wellhead treatment for the Bali Hai and Maple Hills wells; water storage facilities to provide fire protection and sustainable pressure to customers; a non-hazardous disinfection system to replace all liquid chlorine gas operations, and replacement of aging infrastructure including approximately 16 miles of water mainline, 2,900 water services, and 22,000 meters.

YOU ARE FURTHER NOTIFIED that the Company proposes varying percentage increases for different customer classes or groups. As a result the proposed increases for some classes are lower than the proposed average rate increase of 21.46% while others are higher. Under the proposed Application, residential customer rates would increase by 22.35%, commercial by 19.56%, public authority by 19.01%, and private fire by 21.55%.

YOU ARE FURTHER NOTIFIED that the Company has filed direct testimony of its witnesses along with their exhibits and workpapers. These documents are on file with the Commission Secretary at the Commission's office (472 West Washington Street, Boise, Idaho) where they may be reviewed as a matter of public record during regular business hours. The Company's proposed schedules of rates and charges will also be kept open for public inspection at the office of United Water Idaho Inc. (8248 West Victory Road, Boise, Idaho) during regular business hours. Interested persons may also view United Water's Application at the websites of the Commission (www.puc.state.id.us) and the Company (www.unitedwateridaho.com).

YOU ARE FURTHER NOTIFIED that the following persons are designated as United Water's representatives in this matter:

Dean J. Miller
McDevitt & Miller LLP
420 West Bannock Street
PO Box 2564-83701
Boise, ID 83702

Mark Gennari
United Water
200 Old Hook Road
Harrington Park, NJ 07640-1738

All communications with reference to this Application should be served upon the above named representatives of United Water.

YOU ARE FURTHER NOTIFIED that United Water's intrastate revenue requirement, and every component of it, both rate base and expense, are at issue. The Commission may grant, deny, or modify the revenue requirement requested and may find a revenue requirement different from that proposed by any party is just, fair and reasonable. IDAPA 31.01.01.124.01.

YOU ARE FURTHER NOTIFIED that the rates and charges of all Idaho retail customers, both recurring and non-recurring, including those of special contract customers, are at issue, and every component of every existing and proposed rate and charge is at issue. The Commission may approve, reject or modify the rates and charges proposed and may find that rates and charges different from those proposed by any party are just, fair and reasonable. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may approve, reject or modify existing or proposed relationships between and among rates and charges within, between or among customer classes or rate groupings and may approve, reject or modify existing or proposed relationships among and between customer classes or rate groupings. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may abolish, reduce or create rate blocks or categories of rates and charges, abolish, create or reduce components of rates and charges, abolish, reduce or create customer classes or rate groupings, and abolish, reduce or create absolute or relative differences among and between existing classes or rate groupings of customers. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the tariffs, practices, rules and regulations, service, instrumentalities, equipment, facilities, classifications, and customer relations of the utility are at issue, and the Commission may address any of them in its order. IDAPA 31.01.01.124.02.

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that **persons desiring to intervene** in this proceeding for the purpose of presenting evidence or cross-examining witnesses at hearing **must file a Petition to Intervene** with the Commission pursuant to this Commission's Rules of Procedure 72 and 73. IDAPA 31.01.01.072-073. Persons intending to participate at the hearings

must file a Petition to Intervene **on or before December 22, 2004**. Persons seeking intervenor status shall also provide the Commission Secretary with their electronic mail addresses to facilitate future communication in this matter.

YOU ARE FURTHER NOTIFIED that persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this joint proceeding. Depending on the number of intervenors, the Commission may direct that testimony be filed electronically with the other parties.

SUSPENSION OF PROPOSED EFFECTIVE DATE

Due to the complexities of this case and other constraints on the Commission's time, the Commission finds that it cannot resolve United Water's requested rate increase before the proposed effective date of December 30, 2004. Pursuant to *Idaho Code* §§ 61-622 and 61-623, the Commission hereby suspends the proposed rates for a period of thirty (30) days plus five (5) months from December 30, 2004, or until such time as the Commission enters an Order accepting, rejecting or modifying the request in this matter. Commission Staff is directed to contact the parties after the intervention deadline to discuss a procedural schedule.

ORDER

IT IS HEREBY ORDERED that the proposed schedules of rates and charges submitted by United Water in this matter are suspended for a period of thirty (30) days plus five (5) months from December 30, 2004, or until such time as the Commission enters an Order accepting, rejecting or modifying the request in this matter.

IT IS FURTHER ORDERED that persons desiring to intervene in this case for the purpose of presenting evidence or cross-examination at hearing shall file a Petition to Intervene with the Commission no later than December 22, 2004.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 2nd
day of December 2004.



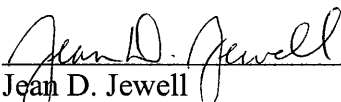
PAUL KJELLANDER, PRESIDENT

Out of the Office on this Date
MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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